Structure your business for future success
Session 1
Eunice Chu  CPA, FCCA, HKICPA, SCAA

Experienced corporate trainer since 1997 of International Financial Reporting Standards (HKFRS). Deliver trainings to
• commercial sector;
• finance professional community;
• universities; and
• government officials.

Locations: Hong Kong, Macao, Shanghai
Vietnam, Singapore, Cambodia and North America.

Working experience in Big 4, MNC regional finance.

Corporate advisory, consultancy work & corporate reporting, through
EC Training and Advisory Limited.
Course Agenda for Session 1

1. Determine your business structure
2. Procedure of setting up a company
3. Open a separate bank account for your business
4. Get a separate credit card for your company?
5. Determine the financial cycle
6. Use the right software for record keeping
Business Structure
Company types

1. Sole Proprietorships

2. Partnerships

3. Limited liability companies (LLC)
Limited liability Company Structure

- Providers of fund
- Through subscription of shares
- No limit to number of shares

Shareholders (1 - 50)

Directors (residents \ non residents)

A Company Secretary

Limited Companies

Providers of fund
Through subscription of shares
No limit to number of shares

Shareholders

Directors

Limited Companies

A Company Secretary
## Shareholders

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company B i</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Chan</td>
<td>500</td>
<td>50%</td>
</tr>
<tr>
<td>Mary Wong</td>
<td>500</td>
<td>50%</td>
</tr>
<tr>
<td>New investors</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Issued share capital**
Directors

Board of Directors
- manage the company
- one to unlimited numbers
- fiduciary duty: shareholders entrust the company in director's hands
- stewardship: he needs to act at the best interest of the company
Company Secretary

Polling Question #1
Any decision making power?

a. Yes
b. No

Duties include:

• Hold Annual General Meeting (AGM) of shareholders
• Prepare minutes of AGM
• Prepare minutes of Board of Director
Green Box & Common Seal of Hong Kong company
Procedure of setting up a limited company

Process of setting up a limited company

1. Name search
https://www.icris.cr.gov.hk/csci/

2. Fill in NNC1 + A&A for the incorporation with Companies Registry

3. Print Green Box
http://www.ckltd.co/
Certificate of incorporation

Happy Company Limited

Certificate of Incorporation

Certificate No. 07985113
Issued on 20 July 2018

Company Name: Happy Company Limited

Principal Place of Business: 2/F, EAL WONG COMM BLDG, 294 QUEEN’S RD CENTRAL, HK

Business Registration License

Form 2

Business Registration Ordinance (Chapter 316)
Business Registration Regulations

No. of Business Registration:

Type of Business: CORP

Date of Commencement: 17/08/2007
Date of Expiry: 16/08/2008
Certificate No.: 3825583-000-08-07-3

Registered Office:

Corporation

Annual Fee:

$2,600

Issue Date:

17/08/2007

Certificate No.:

3825583-000-08-07-3

Return of Business:

CORP

Note:

This document is a copy of the original document, and is not a legal document. It should not be used in any legal proceedings or for any other purposes.

Business registration license

Certificate of incorporation
Inside the green box

- Share Certificates
- Statutory book
- Green box
- Pre-inked chops
- Metal chop
- Article of association
- Whatsapp: 9279-6283
Setting up companies’ bank accounts

Whatsapp: 9279-6283
Setting up a bank account with a local bank in Hong Kong


Original or certified true copy (by CPA/lawyer) of the following:

a. Certificate of incorporation
b. Business registration license
c. NNC1
d. Latest annual return – for company aged over one year
e. Article of association
f. Copies of HKID card or passport of all directors and shareholders
g. Residential proof (i.e. utility bills within three months) of all directors / shareholders

h. One page business plan/description
   i. Samples of sales/income invoices for operating company
Traditional banks

- HSBC
- Hang Seng Bank
- Dah Sang Bank
- Standard Chartered Bank
- Fubon
- Bank of China
- Bank of Communication
- Bank of East Asia

Virtual banks

- Neat
  https://www.neatcommerce.com/
- Airwallex
  https://www.airwallex.com/hk
- Statrys
  https://statrys.com/
- Transwap
  https://www.transwap.com/hk
Standard bank account package
1. Saving account
2. Cheque account
3. Different foreign currencies accounts (all major foreign currencies except RMB)

Accept settlements by:
1. Cash (minimize)
2. Cheques
3. Credit card – get merchant account
4. Paypal
5. Payme
6. Stripe
7. Telegraphic Transfer (TT)
8. Tap-And-Go (TNG)
9. Octopus
10. All kind of currencies
Facilitate customers settlements
Show company bank details or merchant code in the sale invoices

Please kindly draw a cheque payable to “ABC Limited.”
Or deposit the cheque to the following bank accounts and fax us the bank in slip.

**Bank account details**

*Hong Kong and Shanghai Banking Corporation Limited*

**Bank address:** 1 Queen’s Road, Central, Hong Kong.

**Account number:** 178-XXXXXX-001

**Beneficiary name:** ABC Limited.

**Swift code:** HSBCHKHHKH
Polling Question #2
Does my company need a corporate credit card for payments?

- Yes
- No
- It depends

Polling Question #3
Any alternative to corporate credit card?

- Use personal credit card
- Use corporate debit card
Financial cycle
Accounting and Book-keeping

Polling question #4
Only limited companies need to prepare book-keeping?
  a. True
  b. False

Polling question #5
Must a limited company be audited?
  a. YES, audited by CPAs for compliance of the Companies Ordinance.
  b. No, only large companies need to be audited
Accounting and Book-keeping

Polling questions #6
3. How many years of record have to be kept?
   a. No more than 5 years
   b. At least 7 years
   c. Maximum 10 years

Polling questions #7
When should be the financial year end?
   a. Any month
   b. 31 March each year
   c. 31 December each year
Should have use any system?

1. Only a few transaction in a year?
   • Answer: No need, please use excel to summarize income and expenses

2. Specialized industry such as clinic, assets management?
   • Answer: use the industry specific software

3. How about all other general businesses? And why?
   • Answer: suggest use cloud base (accounting) software, such as Xero
   • Xero is linked to bank ➔ better trace customers’ settlement
   • Issue invoices to customers quicker and speed up cash inflow
   • Pricing: USD22 to USD47 per month only, no set up fee
Questions from the floor

• What need to prepare for accounting for a start-up?

• Any tips about company registration location to save money from tax, compare Hong Kong and other places.

• Does everyone at the top managerial goals should at least have some knowledge about accounting? If yes, then how much?

• How best to automate the workflows for a startup from an accounting point of view? Thanks.

• Should I continue to invest on my YouTube channel even if it takes a long time to monetize and stop losing money

• At what stage should one hire an accountant?

• Do you need to have a clear work/task/duty flow within a startup?
Course Agenda for Session 2

Employing vs outsourcing
- Employing vs outsourcing: the pros and cons
- Steps of employing staff
- Setting up Mandatory Provident Fund (MPF)
- Insurance requirement
- Handle employer’s tax return

Get a private consultation from a CPA to save up your time and avoid costly mistakes
Eunice Chu CPA & Co.

- Email: Eunice@enmaccounting.com
- Phone: +852 92796283
- Whatsapp / Wechat: +852 92796283
- Address: Room 1, 22/F., Chung Kiu Commercial Building, 47-51 Shan Tung Street, Mongkok, Hong Kong
- Skype: chu.eunice
Thank you